(e) if so, what are the details thereof;

(f) whether it is a fact that several bank officials misuse their authority in sanctioning a number of fictitious loans; and

(g) what are the details of the reported cases of such banks/bank officials, the amount involved and action taken against the officer who sanctioned loan and the persons receiving the loans under mass loaning scheme under false identification papers (since the scheme's operation till date)?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (g) The Government have formulated an Integrated Rural Development Programme (IRDP) for improving the economic status of the weaker section of the society in rural areas. A Self-Employment Programme for Urban Poor has been formulated for weaker sections in urban areas.

Under IRDP government subsidy to the extent of 25%, 33-1/3% or 50% of the project cost is provided to small farmers, marginal farmers/ agricultural labourers and tribals respectively. The balance amount of project cost comes in the form of bank credit at an interest rate of 10% per annum. Under SEPUP the beneficiaries are provided bank credit at an interest rate of 10% per annum and 25% of the project cost is given as capital subsidy from Government to be adjusted in the borrowal account after repayment of the loan component. The beneficiaries under IRDP are identified by District Rural Development Agency while under SEPUP identification of urban poor is done by banks themselves.

The banks while determining the eligibility of borrowers under a particular scheme, observe the norms laid down for that scheme and also follow the guidelines prescribed by the Reserve Bank of India for lending to priority sector. The RBI guidelines *inter-alia* provide lower rates of interest for small and marginal farmers, liberal margin and security norms for small borrowers as well as non-charging of penal interest on small loans. The concerned banks managements take action as appropriate in cases, as may come to their notice of any abuse of authority in sanctioning of loans.

Establishment of New Free Trade Zones

*320. SHRI KAHNU CHARAN LENKA: Will the Minister of COMMERCE be pleased to state:

(a) how many Free Trade Zones are operating in India at present and whether there is any proposal under Government's consideration to establish new Free Trade Zones; and

(b) if so, what are the details in this regard?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) and (b) Six Export Processing Zones/Free Trade Zones are presently operating at Kandla (Gujarat), Santacruz (Bombay), Cochin, Madras, Falta (West Bengal) and Noida (U.P.) The establishment of a Seventh Export Processing Zone at Visakhapatnam has been approved.

Continuance of Cotton Monopoly Procurement Scheme in Maharashtra

@2379 SHRI SURESH KALMADI: Will the Minister of TEXTILES be pleased to state:

(a) whether Government of Maharashtra has requested the Central Government for continuance of the Cotton Monopoly Procurement Schemes for ten years beyond 30th June, 1989; and

(b) what action Government propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI RAFIQUE ALAM): (a) Yes, Sir.

@Previously Unstarred Question 1823, transferred from the 10th March, 1989.

(b) A decision on the proposal will be taken before the present tenure of the scheme expires.

Income Tax dues against Shri M. Karunanidhi and Miss Sridevi

2380. SHRI THOMAS KUTHIRA-VATTOM : WiU the Minister of FINANCE be pleased to state;

(a) whether any amount towards income-tax ig due against Shri M. Karunanidhi, Chief Minister of Tamil Nadu and also against Miss Sridevi, film actress; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN MINISTRY OF FINANCE (SHRI AJIT PANJA); (a) Yes, Sir.

(b) The Income-tax demand due from Shri Karunanidhi as on 31st January, 1989 was Rs. 4.80 lakhs. The entire demand is disputed in appeals and recovery thereof hag been stayed. The Income-tax demand due from Miss Sridevi, film actress., as on 31st January, 1989 was Rs. ' 28.87 lakhs. Petitions for waiver of interest and revision of assessment are pending in respect of Rs. 24.41 lakhs. Recovery of the balance amount of Rs. 4.46 lakhs is not being pursued as the assessee is likeiy to get refund for other years which can be adjusted here.

Cheating Practices by the Blade Companies

2381. SHR THOMAS KUTHIRA-VATTOM; Will the Minister of FINANCE be pleased to state;

(a) what is the number of finance companies called blade companies against whom cases were registered :n Keraia and what is the sum involved in a[1]! these cases; and whether his Ministry" or the Reserve Bank intends to take' any step* to curb the cheating practices of the 3v» called 'blade companies' and if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE .MINISTRY OF FINANCE (SHRl EDUARDO FALEIRO); (a) Reserve Bank of India has reported that it had jointly with the State Government officials, conducted raids on the office premises of 107 unincorporated bodies in the State cf Kerala. Criminal compIaints have been launched against 12 unincorporated bodies for violation of the provisions of section 45S of the Reserve Bank of India Act, 1934. Reserve Bank has also reported that the particulars of amount of deposits with the blade companies are not available as such bodies are not required to send any returns to Reserve Bank of India.

(b) The "blade companies" are reported to be unincorporated bodies engaged in acceptance of deposits from the pub'ic and lending the same. Af^eptance of deposits by unincorporated bodies are regulated under the provisions of Chapter III-C of Reserve Bank of India Act, 1934. These provisions prohibit acceptance of deposits: by the unincorporated bodies in excess of the specified number of depositors. The Act aiso provides for penal action. including fine and imprisonment, for violations of the provisions of the Act.

Reserve Bank of Inda hag-farther reported that the bank has, either on its own or jointly with the State Government officials, also conducted raids in the office premises of several unincorporated bodies in the States of Gujarat, Karnataka and Tamilnadu and the' Union Territory of Delhi and criminal compIaints have been launched against some of these firms for violations of the provisions of chapter III-C of Reserve Bank of India Act, 1934.

The constitutional validity of Chapter III-C of Reserve Bank of India Act, 1034 has been challenged and